

**LAND BOARD AGENDA ITEM
PRELIMINARY APPROVAL
October 15, 2012**

DNRC/ Lawrence & Jean Nistler Land Exchange

Proposal: Land Exchange between the Department of Natural Resources and Conservation (DNRC) and Lawrence & Jean Nistler.

Proponent: DNRC and the Nistler's

Location: Wibaux County

Purpose: The exchange is proposed in order to provide greater management flexibility between state and private land. Land management and recreational access would improve as a result of the exchange.

Lands Proposed for Exchange:

Private Land Proposed for Exchange

County	Legal Description	# of Acres
Wibaux	NW4 Section 36 T15N R59E	160
Total Acres		160

State Land Proposed for Exchange

County	Legal Description	# of Acres	Trust
Wibaux	SW4 Section 36 T15N R59E	160	Common Schools
Total Acres		160	

The following is an analysis of the Nistler land exchange under the Land Board's land exchange criteria:

1. EQUAL OR GREATER VALUE

The private land proposed for exchange is comprised of 127 acres of alfalfa hay land and 33 acres of grass land along Beaver Creek. The value of the hay land is estimated to be \$400/acre and the riparian grazing / recreational land are estimated at \$200/acre. The estimated value of the private land offered in trade is \$56,000.

The state trust land is comprised of 55 acres of alfalfa hay & pasture land and 104.37 acres of grazing/riparian land. In addition there is a .63 acre home site on state trust land. The alfalfa land has an estimated value of \$400/acre and the grazing land has an estimated value of \$200/ acre. The home site has an

estimated value of \$9,000. The estimated value of the state trust land offered in trade is \$50,000.

** Estimates of land value received by a local appraiser in the Wibaux area.

The proposed exchange meets the equal or greater value criterion.

2. STATE LAND BORDERING ON NAVIGABLE RIVERS AND STREAMS

The private land offered in this exchange contains ½ mile of Beaver Creek, a perennial prairie stream.

The state trust land offered in this exchange also contains ½ mile of Beaver Creek.

The proposed land exchange meets the land exchange criteria regarding navigable rivers and streams.

3. EQUAL OR GREATER INCOME TO THE TRUST

The 127 acres of private hay land, if leased as a cash lease would yield an estimated \$15/acre. The 33 acres of grazing land combined with aftermath grazing on hay fields would support 40 AUM's valued at the state minimum rental of \$7.90. The hay land is expected to bring \$2,100 and the AUM grazing would return \$316 for a total projected annual income of \$2,416.

The 55 acres of hay on state land with a cash lease of \$15/acre returns \$825. The 104.37 acres of grazing and hay aftermath supports approximately 36 AUM's. The 36 AUM's at the current grazing rate for this parcel of \$7.90 returns \$284.40. The home site lease is \$250 annually. The total return to the trust is an annual income of \$1,359.40.

The proposed land exchange meets the criteria of equal or greater income.

4. EQUAL OR GREATER ACREAGE

The land exchange proposes exchange of 160 acres of state land for 160 acres of private deeded land.

The proposed exchange meets the equal or greater acreage criteria is met.

5. CONSOLIDATION OF STATE LANDS

The land exchange would not necessarily consolidate state lands but instead would provide recreational access to more state land as the 160 acres with the home site is categorically closed to hunting in accordance with ARM 36.25.149(1)(c), restricting use of firearms within ¼ mile of an inhabited dwelling.

The proposed exchange meets the consolidation of state lands criteria.

6. POTENTIAL FOR LONG-TERM APPRECIATION

The recreational portion of the private land is expected to appreciate rapidly. Farm and grazing property in the Wibaux area is appreciating in value. The area is generally losing residential population.

The proposed exchange meets the potential for long-term appreciation criteria.

7. ACCESS

The proposed exchange is accessible by adjacent state land that has a county road on the east section line. Access to a portion of Beaver Creek plus the adjoining alfalfa fields all provide excellent hunting opportunities.

If approved by the Board, DNRC will contract for an appraisal, conduct cultural surveys, an environmental assessment, and conduct a public hearing. Scoping notices were sent to interested parties and public notice was posted in the Glendive Ranger Review. Notices were sent August 28, 2012 with a deadline for public comments of September 28, 2012. One comment was received from FWP supporting the exchange, as it would provide additional recreational access. No public opposition is expected for the exchange, and it is expected to be accomplished through a checklist environmental analysis.

Agency Recommendations

This land exchange meets and exceeds the land exchange criteria as described above and would be a benefit to the trust beneficiary. The primary reason for the State to enter into this exchange is to consolidate land ownership and provide better access for leasing and recreational use. The Director recommends this exchange receive preliminary approval by the Board.

LOCATION MAP NISTLER LAND EXCHANGE

